Coronavirus guidance is being updated.
Read the Prime Minister's statement for the latest information.

Hide message

Department for Education | Education & Skills Funding Agency

Guidance

Pension supplementary fund and funding for local authority centrally employed teachers and music education hubs

Updated 22 June 2020

Contents

Introduction
Eligibility
Applications for schools
Mainstream schools supplementary fund claim form
Specialist institutions
Multi-academy trust pooling
Local authority centrally employed teachers
Music education hubs

Introduction

The pension supplementary fund provides additional support, alongside the teachers' pension employer contribution grant (TPECG), for the cost to schools due to the increase in the employer contribution rate to the Teachers' Pension Scheme from September 2019.

Schools are eligible for the supplementary fund if their grant allocation falls short of their actual pension cost increase by more than 0.05% of their overall budget for the period. We will provide funding for costs above that threshold.

Local authorities can also apply for funding to cover the total cost due to the increase in contributions for centrally employed teachers that they employ directly. Music education hubs that are not part of a local authority can apply for funding for their teachers separately.

This guidance provides an overview of the application process for payments to cover the period September 2019 to March 2020.

We will pay funding for maintained schools in March, and academies at the beginning of April.

Schools will receive a further payment from the supplementary fund to cover the period April to August 2020. This will be calculated by pro rating their approved September 2019 to March 2020 claim amount. Maintained schools will be paid this instalment at the end of April, and academies at the start of May.

Local authorities that submit a claim for their specialist institutions and centrally employed teachers by the end of May will be paid in June, which will cover the period September 2019 to August 2020. All claims must be submitted by the end of June. These timescales also apply to non-maintained special schools (NMSS). We will contact local authorities and NMSS that submit claims in June with details of payment timescales.

Eligibility

There are 2 separate application windows:

- the first window was for mainstream schools, which could apply directly to the fund from 2 December 2019 to 17 January 2020; special units and resourced provision at mainstream schools should be considered as part of the application for the school
- the second window, which is open from May to June 2020, is for local authorities and NMSS; local authorities will be able to apply on behalf of the following specialist institutions in their area for which they have received a grant allocation:
  - maintained special schools
  - special academies and special free schools
  - pupil referral units
  - alternative provision academies and alternative provision free schools
  - hospital schools

If a local authority can demonstrate that their grant for the costs related to pupils with education, health and care (EHC) plans at independent schools is significantly short of an increase in fees directly driven by eligible pension costs, they should contact ESFA during the application window. The local authority will be expected to submit evidence from the school for review.

Local authorities will also be able to use the second window to apply for funding related to centrally employed teachers which they employ directly. Information on funding for other teachers at adult community learning providers can be found at Teachers' pension scheme employer contribution grant: further education providers.

NMSS with a shortfall between their grant allocation and the increase in pension costs of more than 0.05% of their ESFA place funding should contact ESFA directly during the second application window, and before the end of June at the latest. Where NMSS and special post-16 institutions (SPIs) form part of the same organisation for the purposes of contributions into the teachers' pension scheme, we will also ask for details of the SPI's costs.

Music education hubs that are not part of a local authority will have been contacted directly in November 2019 about how they can access funding, as detailed below.

Applications for schools

How we will calculate your payment

If a school's TPECG allocation falls short of the cost increase for September 2019 to March 2020 by more than 0.05% of their budget, we will provide funding for costs above that threshold.

We have published the Teachers' pension grant: 2019 to 2020 allocations.

For consistency, all claims for supplementary funding and pension funding for centrally employed teachers will use actual pension costs from the November 2019 pay bill, excluding backpay. We are using November as an indicative month, as the best balance between an accurate representation of schools' pension costs and getting money to schools as early as possible.

We are including the following funding streams in our definition of overall budget:

For local authority maintained schools:

- the budget given to a school by their local authority for the 2019 to 2020 financial year, excluding high needs top-up funding, as published in the authority pro-forma tool (APT), following de-delegation
- school sixth form funding: 2019 to 20 academic year funding allocations
- teachers' pay grant: 2019 to 2020 financial year allocations

For academies:

- general annual grant (GAG) for the 2019 to 2020 academic year, as published in the APT, including school sixth form funding and business rates, and excluding high needs top-up funding
- teachers' pay grant: 2019 to 2020 financial year allocations

As the TPECG payment in autumn 2019 is for the increase in pension costs from September 2019 to March 2020, we will calculate your payment from the supplementary fund by:

- deducting your TPECG allocation from the cost of the contribution rate increase (as in your November pay bill, scaled up to cover 7 months) – this will give you any shortfall
- deducting the value of 0.05% of your overall budget (pro rated for 7 months) from the shortfall amount

Example calculation for a mainstream school

- TPECG allocation (covers the 7 months September 2019 to March 2020) - £19,000
- increased costs in November 2019 due to contribution rate increase - £3,000
- costs scaled up to cover the 7 months - £21,000
- shortfall between allocation and 7 month cost - £2,000
- overall budget for 2019 to 2020 - £860,000
- overall budget pro rated for 7 months - £500,000
- 0.05% of 7 month school budget - £250
- supplementary fund payment - £1,750

Mainstream schools supplementary fund claim form

The deadline to submit a claim against the TPECG supplementary fund was 17 January 2020. The link to the online form is no longer available and claims can no longer be submitted.

New and growing schools

New and growing schools can apply for the supplementary fund in the same way as other schools. New schools will receive an update to their September 2019 to March 2020 TPECG allocation in spring 2020 based on their 2019 to 2020 pupil numbers. When we calculate the updated TPECG allocation, we will take into account any funding allocated from the supplementary fund.

Example calculation

- TPECG allocation for September 2019 to March 2020: £20,000
- supplementary fund allocation: £3,000
- revised TPECG allocation, using October 2019 census data for 5 to 16 year olds: £25,000
- additional new and growing allocation: £2,000

Schools changing estate

The grant is allocated on the basis of the school's status as at 1 September. If a maintained school has become an academy since 1 September, the school's trust should submit an application on its behalf, but the budget figure used will be the budget from when the school was maintained.

If schools have merged after 1 September, the merged school should submit individual applications for each school that received an allocation. The pension cost from the November pay bill should be split appropriately. ESFA reserves the right to ask for details of how the split was calculated.

If a school de-merges after 1 September, the schools should submit a single application as though still a single school, and provide a single combined total for the November 2019 pension costs. ESFA will contact the schools to agree how to split the supplementary funding due between the schools.

Specialist institutions

Local authorities will need to submit an application on behalf of all of their specialist institutions in the second application window, which will be open from May 2020 until the end of June. We have contacted local authorities directly with details of how to claim.

Having a later application window for local authorities allows time for specialist institutions to submit information on their actual pension costs for November 2019 for the application.

We will conduct sample checks to confirm the accuracy of the information submitted.

As with the TPECG, we will pay supplementary funding for specialist institutions to local authorities to distribute, according to local circumstance.

Multi-academy trust pooling

As the TPECG and supplementary fund are intended to support costs which are normally funded through the general annual grant (GAG), a multi-academy trust (MAT) should treat the grant in the same way as they would GAG, in accordance with the Academies Financial Handbook.

This means they may amalgamate grant payments for their academies to form one central fund, on the same basis as GAG. This can be used to meet the running costs at any constituent academies within the trust.

As with GAG pooling, we would expect the MAT to consider the funding needs and allocations of each constituent academy, and to have an appeals mechanism. An appeals mechanism should allow an academy to appeal to the trust if a constituent academy's principal feels the academy has been unfairly treated.

If the grievance is not resolved, we would expect the mechanism to include the option of appealing to the Secretary of State, via ESFA, whose decision would be final.

To maintain parity with maintained schools, applications to the supplementary fund will use academies' published TPECG allocations, and their budget as defined above. Any redistribution of funds by the trust will not be taken into account. However, MATs will be able to take any redistribution into account by pooling supplementary fund payments.

Local authority centrally employed teachers

We have contacted local authorities directly with details of how to claim for centrally employed teachers. As part of this claim, local authorities will also be able to apply for funding to cover the total cost due to the increase in pension contributions, for centrally employed teachers which they employ directly.

For consistency with the application process for schools, local authorities will need to provide information on the teachers' employer contribution costs from their November 2019 pay bill to demonstrate their increased costs, and will be reimbursed with funding, scaled up to cover 7 months of costs. This includes teachers directly employed by the local authority at music education hubs and adult community learning providers.

Music education hubs

Music education hubs that employ teachers directly can access funding to cover the cost of the increased contributions they are now paying into the teachers' pension scheme. Arts Council England contacted relevant hubs in November 2019 to provide further information about how to access these funds.

The relevant hubs have supplied evidence to the DfE in order to access the funds. Once settled, relevant hubs will receive a pro rated amount based on their claims to the end of August.

OGL All content is available under the Open Government Licence v3.0, except where otherwise stated
© Crown copyright